



DEPARTMENT OF COMMERCE

International Trade Administration

[A-580-867]

Large Power Transformers from the Republic of Korea: Preliminary Results of Antidumping Duty Administrative Review and Preliminary Determination of No Shipments, 2019-2020

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (Commerce) preliminarily finds that large power transformers from the Republic of Korea were sold in the United States at less than normal value during the period of review (POR), August 1, 2019, through July 31, 2020. Interested parties are invited to comment on these preliminary results.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: John Drury, AD/CVD Operations, Office VI, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-0195.

SUPPLEMENTARY INFORMATION:

Background

Commerce initiated this review on October 6, 2020.¹ We selected one mandatory respondent in this review, Hyosung Heavy Industries Corporation (Hyosung). For a more detailed description of the events that followed the initiation of this review, *see* the Preliminary Decision Memorandum, dated concurrently with these results and hereby adopted by this notice.²

¹ *See Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 85 FR 63082 (October 6, 2020).

² *See* Memorandum, “Decision Memorandum for Preliminary Results of Antidumping Duty Administrative Review: Large Power Transformers from the Republic of Korea; 2019-2020,” dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). Access to ACCESS is available to registered users at <http://access.trade.gov>. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/index.html>. A list of topics discussed in the Preliminary Decision Memorandum is attached as an appendix to this notice.

Scope of the Order

The scope of this order covers large liquid dielectric power transformers having a top power handling capacity greater than or equal to 60,000 kilovolt amperes (60 megavolt amperes), whether assembled or unassembled, complete or incomplete. The merchandise subject to the order is currently classified in the Harmonized Tariff Schedule of the United States at subheadings 8504.23.0040, 8504.23.0080 and 8504.90.9540. This tariff classification is provided for convenience and Customs purposes; however, the written description of the scope of the order is dispositive.³

Methodology

Commerce is conducting this review in accordance with section 751(a)(2) of the Tariff Act of 1930, as amended (the Act). For a full description of the methodology underlying our conclusions, *see* the Preliminary Decision Memorandum.

Preliminary Determination of No Shipments

On October 27, 2020, LS Electric Co., Ltd. (LS Electric), formerly known as LSIS Co., Ltd. (LSIS)⁴ timely notified Commerce that it had no exports, sales, or entries of subject merchandise during the POR.⁵ Commerce issued a no shipment inquiry to U.S. Customs and

³ The full text of the scope of the order is contained in Preliminary Decision Memorandum.

⁴ Commerce determined that LS Electric is the successor-in-interest to LSIS. *See Large Power Transformers from the Republic of Korea: Final Results of Antidumping Duty Administrative Review, Final Determination of No Shipments, and Final Successor-in-Interest Determination; 2018-2019*, 86 FR 30915 (June 10, 2021).

⁵ *See* LS Electric's Letter, "Large Power Transformers from the Republic of Korea: LS Electric Co., Ltd. (formerly known as LSIS Co., Ltd.) No Shipment Letter," dated October 27, 2020.

Border Protection (CBP), and CBP found no evidence of shipments from LSIS during the POR.⁶ Thus, based on record evidence, we preliminary determine that LSIS had no shipments during the POR. Consistent with Commerce's practice, we find that it is not appropriate to rescind the review with respect to LSIS but, rather, to complete the review and issue appropriate instructions to CBP based on the final results of this review.⁷

Preliminary Results of Review

We preliminarily determine that, for the period August 1, 2018, through July 31, 2019, the following weighted-average dumping margins exist:

Producer/Exporter	Weighted-Average Dumping Margin (percent)
Hyosung Heavy Industries Corporation	8.85
Hyundai Electric & Energy Systems Co., Ltd.	8.85
Iljin Electric Co., Ltd.	8.85
ILJIN	8.85

Disclosure and Public Comment

Commerce will disclose to parties to the proceeding any calculations performed in connection with these preliminary results of review within five days after the date of publication of this notice.⁸ Interested parties are invited to comment on these preliminary results. Interested parties may submit case briefs no later than 30 days after the date of publication of this notice.⁹

⁶ See Memorandum, "shipment inquiry with respect to the company below during the period 08/01/2019 through 07/31/2020," dated November 20, 2020.

⁷ See, e.g., *Certain Frozen Warmwater Shrimp from Thailand; Preliminary Results of Antidumping Duty Administrative Review, Partial Rescission of Review, Preliminary Determination of No Shipments; 2012–2013*, 79 FR 15951, 15952 (March 24, 2014), unchanged in *Certain Frozen Warmwater Shrimp from Thailand: Final Results of Antidumping Duty Administrative Review, Final Determination of No Shipments, and Partial Rescission of Review; 2012–2013*, 79 FR 51306 (August 28, 2014); and *Magnesium Metal from the Russian Federation: Preliminary Results of Antidumping Duty Administrative Review*, 75 FR 26922, 26923 (May 13, 2010), unchanged in *Magnesium Metal from the Russian Federation: Final Results of Antidumping Duty Administrative Review*, 75 FR 56989 (September 17, 2010).

⁸ See 19 CFR 351.224(b).

⁹ See 19 CFR 351.309(c)(1)(ii).

Rebuttal briefs, the content of which is limited to the issues raised in the case briefs, must be filed within seven days from the deadline date for the submission of case briefs.¹⁰

Parties who submit case or rebuttal briefs in this proceeding are requested to submit with each argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.¹¹ Case and rebuttal briefs should be filed using ACCESS.¹² Case and rebuttal briefs must be served on interested parties.¹³ Executive summaries should be limited to five pages total, including footnotes.

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing must submit a request to the Assistant Secretary for Enforcement and Compliance within 30 days of the date of publication of this notice. Requests should contain: (1) the party's name, address and telephone number; (2) the number of participants; (3) whether any participant is a foreign national; and (4) a list of issues parties intend to discuss. Issues raised in the hearing will be limited to those raised in the respective case and rebuttal briefs. If a request for a hearing is made, Commerce intends to hold the hearing at a time and date to be determined. Parties should confirm by telephone the date and time of the hearing two days before the scheduled date.

Commerce intends to publish the final results of this administrative review, including the results of its analysis of issues raised in any case or rebuttal brief, no later than 120 days after publication of these preliminary results, unless extended.¹⁴

Assessment Rates

Upon issuing the final results, Commerce shall determine, and CBP shall assess, antidumping duties on all appropriate entries. If the weighted-average dumping margin for Hyosung is not zero or *de minimis* (i.e., less than 0.50 percent) in the final results of this review, we will calculate importer-specific assessment rates on the basis of the ratio of the total amount

¹⁰ See 19 CFR 351.309(d)(1); *see also* Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19; Extension of Effective Period, 85 FR 41363 (July 10, 2020).

¹¹ See 19 CFR 351.309(c)(2).

¹² See generally 19 CFR 351.303.

¹³ See 19 CFR 351.303(f).

¹⁴ See section 751(a)(3)(A) of the Act; *see also* 19 CFR 351.213(h).

of dumping calculated for each importer's examined sales and the total entered value of such sales in accordance with 19 CFR 351.212(b)(1).¹⁵ We will instruct CBP to assess antidumping duties on all appropriate entries covered by this review when the importer-specific assessment rate calculated in the final results of this review is above *de minimis* (*i.e.*, 0.50 percent). If Hyosung's weighted-average dumping margin is zero or *de minimis* in the final results of review, or if an importer-specific assessment rate is zero or *de minimis*, Commerce will instruct CBP to liquidate appropriate entries without regard to antidumping duties.¹⁶

In accordance with Commerce's "automatic assessment" practice,¹⁷ for entries of subject merchandise during the review period produced by each respondent for which it did not know its merchandise was destined for the United States, we will instruct CBP to liquidate unreviewed entries at the all-others rate of 22.00 percent established in the LTFV investigation.¹⁸

For the companies which were not selected for individual review (*i.e.*, Hyundai Electric & Energy Systems Co., Ltd., Iljin Electric Co., Ltd., and ILJIN), we will assign an assessment rate based on the cash deposit rate calculated for the company selected for mandatory review (*i.e.*, Hyosung).¹⁹ The final results of this review shall be the basis for the assessment of antidumping duties on entries of merchandise covered by the final results of this review and for future deposits of estimated duties, where applicable.²⁰

Consistent with its recent notice,²¹ Commerce intends to issue assessment instructions to CBP no earlier than 35 days after the date of publication of the final results of this review in the *Federal Register*. If a timely summons is filed at the U.S. Court of International Trade, the

¹⁵ See *Antidumping Proceedings: Calculation of the Weighted-Average Dumping Margin and Assessment Rate in Certain Antidumping Proceedings: Final Modification*, 77 FR 8101, 8103 (February 14, 2012).

¹⁶ *Id.* at 8102-03; see also 19 CFR 351.106(c)(2).

¹⁷ See *Antidumping and Countervailing Duty Proceedings: Assessment of Antidumping Duties*, 68 FR 23954 (May 6, 2003).

¹⁸ See *Large Power Transformers from the Republic of Korea: Final Determination of Sales at Less Than Fair Value*, 77 FR 40857 (July 11, 2012).

¹⁹ See section 735(c)(5)(A) of the Act; see also Preliminary Decision Memorandum at Section VII, "Rate for Non-Selected Companies."

²⁰ See section 751(a)(2)(C) of the Act.

²¹ See *Notice of Discontinuation of Policy to Issue Liquidation Instructions After 15 Days in Applicable Antidumping and Countervailing Duty Administrative Proceedings*, 86 FR 3995 (January 15, 2021).

assessment instructions will direct CBP not to liquidate relevant entries until the time for parties to file a request for a statutory injunction has expired (*i.e.*, within 90 days of publication).

Cash Deposit Requirements

The following cash deposit requirements will be effective upon publication of the final results of this administrative review for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date of the final results of this administrative review, as provided by section 751(a)(2)(C) of the Act: (1) the cash deposit rate for Hyosung and other companies listed above will be equal to the weighted-average dumping margin established in the final results of this administrative review; (2) for previously reviewed or investigated companies not listed above, the cash deposit rate will continue to be the company-specific rate published for the most recently completed segment of this proceeding in which they were reviewed; (3) if the exporter is not a firm covered in this review, a prior review, or in the investigation but the producer is, the cash deposit rate will be the rate established for the most recently completed segment of this proceeding for the producer of the merchandise; and (4) the cash deposit rate for all other producers or exporters will continue to be the all-others rate of 22.00 percent, the rate established in the investigation of this proceeding.²² These cash deposit requirements, when imposed, shall remain in effect until further notice.

Notification to Importers

This notice also serves as a reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in Commerce's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

²² See *Large Power Transformers from the Republic of Korea: Antidumping Duty Order*, 77 FR 53177 (August 31, 2012).

Notification to Interested Parties

We are issuing and publishing this notice in accordance with sections 751(a)(1) and 777(i)(1) of the Act.

Dated: August 27, 2021.

Christian Marsh,
Acting Assistant Secretary for Enforcement and Compliance.

Appendix

List of Topics Discussed in the Preliminary Decision Memorandum

- I. Summary
- II. Background
- III. Deadline for Submission of Updated Sales and Cost Information
- IV. Scope of the Order
- V. Preliminary Determination of No Shipments
- VI. Discussion of the Methodology
- VII. Rate for Non-Selected Companies
- VIII. Recommendation

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